

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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Washington, D. C.

April 12, 1952

## Legislation Would Prohibit Negotiation for Canned Foods

Legislation has been introduced in the House to eliminate the statutory authority under which the QMC is able to negotiate for its canned foods requirements during the present emergency.

Under the Armed Services Procurement Act, the government is required to purchase under formal advertising except under special circumstances. One of the exceptions permits procurement by negotiation without formal advertising if "determined to be necessary in the public interest during the period of a national emergency declared by the President or by the Congress." The existence of a national emergency was proclaimed by executive order of the President on December 16, 1950.

H. R. 7223, introduced March 25 by Representative Vinson (Ga.), chairman of the House Committee on Armed Services, would amend the procurement law by striking out the words "by the President or."

The Committee has not yet scheduled any action on the bill. However, it is reported that the intent of the bill is being studied by the Department of Defense.

## Parity Pass-through

Processors who use ceiling prices adjusted under provisions of the Capehart amendment may not take parity pass-throughs for any increase in the cost of any agricultural commodity since July 25, 1951.

The action shutting off parity pass-throughs on Capehart adjustment cases is spelled out in four amendments issued by OPS April 4. The four amendments are Amendment 2 to SR 17 to CPR 22, Amendment 1 to SR 18 to CPR 22, Amendment 1 to GOR 20, and Amendment 2 to GOR 21, all effective April 9.

If processors determine their ceilings without reference to the Capehart formula, they may continue to take parity pass-throughs. OPS said that a processor may use whichever of the two methods he prefers.

## Apples and Apple Products

SR 5 to CPR 56 allows processors to determine adjusted ceiling prices for canned apples, apple sauce, and apple juice (including cider) by adding specified dollars-and-cents amounts to their ceiling prices otherwise determined under CPR 56.

SR 5 automatically supersedes SR 2, issued December 3, 1951, which provided for optional adjustable pricing for those products. SR 5 was issued April 9 and will be effective April 14.

The adjustments authorized by SR 5 are designed to reflect differences in earnings on sales of apple products during the 1948 base period and the average earned on sales for the years 1946-49, according to OPS. The adjustments were determined as the re-

(Please turn to page 152)

## USDA Insect Pest Survey and Reporting Service

A cooperative insect pest survey and reporting service, in which entomologists associated with state agencies, industry, and the federal government will participate, was announced April 10 by the U. S. Department of Agriculture.

Purpose of the service is to keep the nation's farmers informed of impending insect conditions. The service will attempt to forewarn farmers—no matter what crops or livestock they produce—of current insect pest conditions, and will allow them to meet these threats better, according to Avery S. Hoyt, Chief of the Bureau of Entomology and Plant Quarantine.

Entomologists and other workers engaged in agricultural pursuits will cooperate to make the service work. It is planned that any insect information within a state, whether detected by federal, state, local or commercially-engaged entomologists, will be channeled through state offices so that the information can be quickly released to meet local requirements. The report then will be forwarded to Washington, D. C., where a Section of Economic Insect Detection and Re-

(Please turn to page 152)

## Price Support for Nonbasic Crops under Study in Senate

Price support for both basic and nonbasic agricultural commodities will be the subject of hearings scheduled to be held by a special subcommittee of the Senate Committee on Agriculture April 16-18.

Although the subcommittee theoretically has before it only two bills, both of current interest, it is possible that the hearings may become a forum for a review of the government's price support policy and program.

The subcommittee will study S. 450, which would authorize price support at 90 percent of parity for any nonbasic commodity whenever the Secretary of Agriculture "finds it necessary to encourage the expansion of production" of that commodity during the present national emergency and for two years thereafter.

Also under study is S. 2115, which would permanently extend a provision of the Agricultural Act of 1949 that parity prices for basic commodities computed under that Act shall not be lower than the parity prices computed under the so-called Aiken Act of 1948. This provision is scheduled to expire December 31, 1954.

S. 450 was introduced in January of 1951 by Senator Young (N. D.) and S. 2115 was introduced in September, 1951, by Senator Young on behalf of himself and Senator Russell (Ga.).

The subcommittee comprises Senator Ellender (La.), chairman of the Senate Agriculture Committee, and Senators Anderson (N. M.), Humphrey (Minn.), Aiken (Vt.), and Young.

## Defense Production Act

The Senate Committee on Banking and Currency met in executive session April 9 to resume work on legislation to amend and extend the Defense Production Act, but after a 20-minute session decided to postpone further action until April 17. At that time the Committee will decide whether to reopen hearings on the controls bill.

## CONGRESS

### Government Finality Clause

The House on April 9 took action to prohibit the use of the disputes article now employed in the standard government contract in all future Defense Department purchasing. By voice vote, the House passed H.R. 7391, making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1953, and containing a rider providing that none of the appropriated funds may be used for the purpose of entering into contracts containing Article 15 of the Standard Government Contract.

Article 15 provides that all disputes concerning questions of fact arising under government contracts are to be decided by the contracting officer subject to appeal to the head of the procuring department. This contract provision has been held by the Supreme Court to limit the contractor's right of appeal to the courts on disputed questions of fact to instances in which fraud by the contracting officer or department head can be alleged and proven.

The N.C.A. has already gone on record with the Senate Committee on the Judiciary as opposing such limitation on a government contractor's ability to obtain court relief from unreasonable decisions by the procuring department (see INFORMATION LETTER of March 29, page 136).

If enacted, the appropriations bill will have the effect of extending the privilege of court review to many instances where it is now unavailable.

## PERSONNEL

### 1952 Nicholas Appert Award

Edward MacKay Chace, one of the country's foremost technologists on citrus products, has been selected to receive the Nicholas Appert Award for 1952. The award will be presented at the annual meeting of the Institute of Food Technologists at Grand Rapids, Mich., June 8-12.

Work by Mr. Chace was instrumental in establishing the fundamental standards of maturity for many fruits and vegetables and particularly for the citrus industry. His research has contributed greatly to scientific knowledge of food preservation.

### Tidewater Cannery of Virginia

The Tidewater Cannery Association of Virginia, Inc., reelected its officers at the association's annual meeting:

President—Marvin A. Smith, Lancaster Canning Co., White Stone; vice president—C. L. Hammack, Port Royal; and secretary-treasurer—Robert A. Harris, Jr., Kinsale Canning Co., Kinsale.

### Pest Survey and Reporting

(Concluded from page 151)

porting in the BEPQ will combine the information with reports from other states and distribute it nationally.

Kelvin Dorward has been named by Dr. Hoyt to head this Section and Louis G. Davis will serve as first assistant.

Five regional detection personnel who will work cooperatively with the states to facilitate the collection and reporting of insect survey information are:

Region I, Greenfield, Mass.—C. Wilfred Shockley; Region II, Quincy, Fla.—Frank S. Chamberlain; Region III, San Antonio, Tex.—James I. Cowger; Region IV, Berkeley, Calif.—Lamar J. Padger; and Region V, Minneapolis, Minn.—E. C. Harrison, Jr.

## DEATH

### John W. Steinhart

John W. Steinhart, 90, founder of the Otoe Food Products Company, died at his home in Nebraska City, Nebr., April 4.

Mr. Steinhart entered the canning business in 1891 with the purchase of a cannery in Nebraska City. With an associate he established the Otoe Preserving Company, forerunner of the present firm.

During the years that he was active in industry, Mr. Steinhart also turned his amazing energies to scores of civic pursuits.

He was a mayor of Nebraska City, was one of the organizers of the Nebraska City chamber of commerce, and worked for roads, river navigation, more space for local parks, establishment of a library and schools. The city's park is named for him.

At the time of his death, Mr. Steinhart was chairman of the board of the Otoe firm. He is survived by his son, Morton Steinhart, president of the company.

## DEFENSE

### Mehren To Leave OPS

George L. Mehren, Director of the OPS Food and Restaurant Division, has submitted his resignation, effective June 30. Mr. Mehren has served as head of the Food Division since July, 1951.

Jerry Foytik, economist in the Food Division, left OPS last week to return to his post as assistant professor of economics at the University of California.

### Apples and Apple Products

(Concluded from page 151)

sult of a profit and loss study of the apple processing industry.

SR 5 authorizes processors of canned apples, canned apple sauce, and canned and bottled apple juice or cider to add the following appropriate amounts to ceiling prices otherwise determined under CPR 56:

Product	INCREASE PER DOZEN CONTAINERS			
	Container size			
	No.	No.	No.	No.
	303	3	10	32-oz. 46-oz.
Canned apples.....	\$0.20	\$0.35	.....	.....
Canned apple sauce.....	\$0.11	0.12	0.55	.....
Canned or bottled apple juice or cider.....	.....	.....	.....	\$0.23 \$0.43

If the price resulting from this adjustment for any item of canned or bottled apple juice or cider is lower than the ceiling price established under the GCPR for that item, a processor may use the ceiling price established under that regulation as the ceiling price for that item.

Processors of any item which differs from those listed in the table may calculate ceiling prices under provisions of Section 4 of CPR 56 or by calculating adjusted ceiling prices under SR 5 using the comparison methods provided by Section 4.

Processors choosing to adjust ceilings using SR 5 and unable to use Section 4 are required to use the provisions of Section 6 or Section 7 of CPR 56, in that order.

Copies of SR 5 to CPR 56 were mailed by N.C.A. to all canners of apple products.

### Canned Maine Soft Shell Clams

Canned Maine soft shell clams have been exempted from price control by Amendment 14 to GOR 7, effective April 12.

## STATISTICS

### Snap Beans for Processing

A decrease of about 2 percent from 1951 snap bean plantings is indicated for 1952, according to the Bureau of Agricultural Economics.

If these early season acreage prospects materialize, the 1952 plantings of snap beans for canning, freezing and other processing will total 126,840 acres. This compares with a revised estimate of 130,100 acres planted in 1951 and a 1941-50 average planting of 129,570 acres.

Abandonment of planted acreage averaged about 5 percent annually during the past 10 years. If this loss is assumed for 1952, about 121,000 acres would be harvested in 1952. This compares with a revised estimate of 125,700 acres harvested in 1951 and a 1941-50 average of 123,200 acres.

The harvest of 121,000 acres, with a yield in line with the 10-year average of 1.76 tons, would result in a production of 213,000 tons. The revised estimate of the 1951 production is 276,630 tons, while the 10-year average production is 215,500 tons.

The following table shows the acreages in prospect at the present time:

State	1951 Indicated (acres)	1951 Planted, (Revised) (acres)	1952 Indicated (acres)
Maine.....	3,700	2,950	2,900
New York.....	28,700	28,000	32,200
Pennsylvania.....	5,300	4,200	4,600
Michigan.....	6,500	6,300	6,200
Wisconsin.....	12,900	12,700	13,200
Missouri.....	800	450	500
Delaware.....	1,700	2,600	2,700
Maryland.....	13,000	14,600	12,500
Virginia.....	3,300	3,100	3,000
North Carolina.....	1,600	1,300	1,300
South Carolina.....	400	1,800	900
Georgia.....	200	200	200
Florida.....	11,000	10,400	7,500
Tennessee.....	5,100	5,300	5,400
Mississippi.....	2,500	1,300	1,400
Arkansas.....	8,200	7,000	6,700
Louisiana.....	1,300	430	440
Oklahoma.....	3,200	3,000	2,100
Texas.....	5,000	5,000	5,600
Colorado.....	1,500	1,500	1,700
Utah.....	700	640	450
Washington.....	2,700	2,500	2,000
Oregon.....	7,100	7,400	6,700
California.....	2,400	2,100	1,400
Other states.....	4,380	4,930	5,350
U. S. Total.....	133,180	130,100	126,840

Ala., Idaho, Ill., Ind., Iowa, Ky., Mass., Minn., Mont., Nebr., N. J., N. M., Ohio, Vt., and Wyo.

### Sweet Corn for Processing

An increase of 8 percent over the 1951 plantings of sweet corn for processing is indicated for 1952, according to the Bureau of Agricultural Economics.

Abandonment of planted acreages averaged about 7 percent annually during the past 10 years. If this loss is assumed for 1952, about 470,000 acres would be harvested in 1952. This compares with a revised estimate of 432,400 acres harvested in 1951 and a 1941-50 average of 466,970 acres.

The harvest of 470,000 acres, with a yield in line with the 10-year average of 2.53 tons, would result in a production of about 1,189,000 tons. The revised estimate of the 1951 production is 1,212,000 tons, while the 1941-50 average production was 1,174,000 tons.

The following table shows the acreage in prospect at the present time:

State	1951 Indicated (acres)	1951 Planted (Revised) (acres)	1952 Indicated (acres)
Maine.....	9,800	9,300	10,000
New Hampshire.....	420	440	480
Vermont.....	850	790	750
New York.....	25,200	25,800	27,000
Pennsylvania.....	12,100	11,500	12,500
Ohio.....	16,200	15,400	15,700
Indiana.....	29,400	28,650	31,500
Illinois.....	66,000	64,300	68,200
Michigan.....	1,800	1,600	1,800
Wisconsin.....	113,200	102,500	111,700
Minnesota.....	84,900	83,000	80,600
Iowa.....	27,200	27,700	28,000
Nebraska.....	2,500	2,300	1,000
Delaware.....	3,900	4,200	4,800
Maryland.....	37,300	33,100	36,000
Virginia.....	750	700	1,100
Idaho.....	10,300	11,600	12,400
Utah.....	6,800	6,300	7,200
Washington.....	12,000	13,100	16,100
Oregon.....	13,700	14,300	16,300
Other states.....	11,700	11,720	13,740
U. S. Total.....	486,220	468,300	505,870

Ark., Colo., Mont., N. J., Okla., S. D., Tenn., Tex. and Wyo.

### Cabbage for Kraut

The acreage of kraut cabbage in prospect for contracting in 1952, including packers' own plantings, is about 10 percent more than was planted under contract in 1951 and nearly 16 percent more than the 10-year average, according to the Bureau of Agricultural Economics. If these early season prospects materialize, the 1952 contract plantings for kraut will total 11,310 acres compared with 10,300 acres in 1951 and an average of 9,760 acres for the 1941-50 period.

Most packers usually purchase a substantial portion of their kraut cabbage requirements on the open market in addition to quantities obtained from their contract acreage. At this time, information is not available regarding the tonnage that kraut packers intend to purchase on the open market in 1952.

### 1951 Cranberry Sauce Pack

The 1951-52 pack of cranberry sauce amounted to 5,120,323 actual cases as compared with the 1950-51 pack of 4,683,640 cases, according to a report by the N.C.A. Division of Statistics. In the table below, the pack is shown by can size:

Can Size	Number per case	1950-51 (actual cases)	1951-52 (actual cases)
211x300	48	228,070	391,510
211x206 (7-8 oz.)	24	4,174,327	4,491,762
300x407 (15-16 oz.)	24		
No. 2	12	3,224	7,196
No. 3 Cyl. (40x700)	6	237,184	184,636
(32-54 oz.)		28,295	14,956
No. 10		12,540	30,261
Miscellaneous tin			
Miscellaneous glass			
U. S. Total.....		4,683,640	5,120,323

### 1951 Packs of Berries

Reports on the 1951 packs of blackberries, strawberries, boysenberries, loganberries, and youngberries have been compiled by the N.C.A. Division of Statistics. Following are the 1951 pack totals with comparisons with the previous year:

	Blackberries 1951 (actual cases)	Blackberries 1952 (actual cases)	Strawberries 1951 (actual cases)	Strawberries 1952 (actual cases)
Northwest.....	48,937	227,491	19,134	22,096
Other states.....	303,805	216,373	110,453	227,281
U. S. Total.....	352,742	443,864	129,587	250,277
	Boysenberries 1951 (actual cases)	Boysenberries 1952 (actual cases)	Loganberries 1951 (actual cases)	Loganberries 1952 (actual cases)
Northwest.....	102,586	149,707	34,426	30,562
Other states.....	183,723	170,461	.....	650
U. S. Total.....	286,310	320,168	34,426	31,212
	Youngberries 1951 (actual cases)	Youngberries 1952 (actual cases)		
Northwest.....	2,626	4,390		
Other states.....	7,000	.....		
U. S. Total.....	9,626	4,390		



## Costs of Marketing Florida Oranges

The Bureau of Agricultural Economics recently published the second in a series of reports designed to indicate current changes in costs of moving Florida oranges and orange products from the grower to the consumer. Marketing costs are obtained for the three predominate methods of utilizing Florida oranges—fresh fruit, canned juice, and frozen concentrated juice.

The report effectively illustrates that the cost of distributing canned orange juice is less than distribution costs on the other two methods of utilization. Actually, the grower receives a greater proportion of the retail price for his oranges when he markets them through canned orange juice outlets than he does by marketing them as fresh fruit or as frozen concentrate.

The retail and wholesale marketing charges are considerably less for canned orange juice than for either the fresh or the frozen concentrate. For example, during January when the grower averaged 93 cents a box from canners for the fresh oranges that went into canned orange juice, this amount represented over 20 percent of the equivalent price per box which was paid by the consumer. For both frozen concentrated orange juice and fresh oranges, the grower received 19 percent.

The following table shows the proportion of the retail price that went to pay for the various marketing services during January, 1952:

Relative Cost of Producing and Distributing  
a Box of Florida Oranges in Fresh Form  
and as Canned and Frozen Juice,  
January, 1952

	Cost of each function as a percentage of retail price		
	Fresh oranges	Frozen concentrated orange juice	Canned orange juice
	(percent)	(percent)	(percent)
Growing.....	19.0	19.0	20.3
Packing or processing..	15.8	26.7	27.9
Transportation.....	17.2	5.5	17.5
Wholesaling and retailing.....	48.0	48.8	34.3

The last line in the preceding table shows that for canned orange juice about one-third of the retail cost is taken by the wholesaling and retailing function, while for both fresh oranges and the frozen concentrated juice almost one-half of the retail cost is used to pay for this function.

BAE reports that in January the consumer was able to buy the equivalent of one box of fresh Florida oranges at a price of \$4.58 in the form of canned orange juice while the price paid for an equivalent box was \$6.53 if purchased as fresh oranges and \$5.43 as frozen concentrated orange juice.

The following table shows the actual prices reported by BAE for the progressive steps in the marketing channels for a 46-oz. can of orange juice for consumption in New York City:

Prices Paid at Specified Points in the Marketing Channel for a 46-oz. Can of Florida Orange Juice Bought in New York City

	Received by Grower at Cannery	F.O.B. to shipping point (cents)	Delivered to terminal market (cents)	Price to consumer (cents)
Nov.....	6.6	17.5	22.2	28.5
Dec.....	6.6	17.5	22.2	29.4
Jan.....	6.0	14.6	19.3	29.9

**Canned Single-strength Orange Juice**—In November, during the first full month's operation in the 1951-52 season, canners processed about 2.5 million boxes of Florida oranges into canned single-strength juice. The number of oranges used dropped to 1.9 million boxes in December and 1.6 million boxes in January.

In December growers received an average price of \$1.03 a box for fruit delivered to canners. This represented 23.5 percent of the retail price. In January growers received an average of \$0.93 a box or 20.3 percent of the retail price.

The f.o.b. price of canned single-strength juice was \$2.54 per fresh box equivalent (\$2.10 per dozen 46-oz. cans) in December, representing 34.4

percent of the retail price. In January an f.o.b. price of \$2.21 (\$1.75 per dozen 46-oz. cans) returned only 27.9 percent of the retail price to the canner.

Transportation charges averaged \$0.79 per fresh box equivalent in December and \$0.80 in January, 18.0 and 17.5 percent, respectively, of the retail price.

Retail prices in the 10 cities covered in the BAE survey averaged \$4.39 per fresh box equivalent (30.1 cents per 46-oz. can) in December, ranging from \$3.92 in Birmingham to \$4.71 in Chicago. Retail prices in January ranged from \$4.12 in Birmingham to \$5.80 in Seattle for a 10-city average price of \$4.58 per fresh box equivalent (30.3 cents per 46-oz. can).

## Stocks of Bulk Sauerkraut

The following report on bulk sauerkraut in canners' hands is a revision of the original report on March 1 stocks. The report has been revised by the N.C.A. Division of Statistics because of an error in reporting by a canner. The stocks of bulk sauerkraut represent kraut cut from the 1951 crop of cabbage and consist of bulk kraut on hand in vats and in cases of canned kraut converted to barrels, 10 cases to the barrel regardless of size.

### Revised

	Dec. 1, 1951	March 1, 1952
	(in 48-gallon barrels)	
Northeast.....	217,727	111,849
Midwest.....	219,942	129,736
South.....	14,310	11,543
West.....	29,574	19,524
U. S. Total.....	481,553	272,652

## TABLE OF CONTENTS

	PAGE		PAGE
<b>Congress</b>		<b>Personnel</b>	
Legislation would prohibit negotiation for canned foods	151	1952 Nicholas Appert award	152
Price support for nonbasic crops under study in Senate	151	Tidewater Canners of Virginia	152
Defense Production Act	151	<b>Death</b>	
Government finality clause	152	John W. Steinhart	152
<b>Defense</b>		<b>Statistics</b>	
Apples and apple products	151	Snap beans for processing	153
Parity pass-through	151	Sweet corn for processing	153
Mehren to leave OPS	152	Cabbage for kraut	153
Canned Maine soft shell clams	152	1951 cranberry sauce pack	153
<b>Raw Products</b>		1951 packs of berries	153
USDA insect pest survey and reporting service	151	Costs of marketing Florida oranges	154
		Stocks of bulk sauerkraut	154